



## State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

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### Testimony for Public Hearing – Assembly Committee on Forestry February 17, 2010

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#### Assembly Bill -754

Relating to: an income and franchise tax credit for lumber manufacturing facility investments and making an appropriation.  
Introduced by Representatives Friske, Clark, Meyer, Mursau, M. Williams, Molepske Jr., Berceau, Bies, Brooks, Nerison, A. Ott, Suder, Tauchen, Townsend and Vos; cosponsored by Senator Holperin.

The DNR supports the concept of Assembly Bill 754.

The forest industry is very critical part of Wisconsin's economy with shipments of \$20 billion dollars and employing 65,000. We encourage the legislature to help keep this industry growing. The lumber manufacturing sector in Wisconsin, like all other sectors' of the forest industry have been severely hurt during the recession. The hardwood lumber production in Wisconsin has been estimated to have declined by 50%. This industry will need to retool to come back and be competitive in the global market place.

**Remarks for Assembly Committee on Forestry**  
*Regarding AB 754 – Lumber Mill Expansion Tax Credits*  
By Representative Donald Friske  
*February 17, 2010*

Thank you Chairman Clark and Committee members.

In an effort to increase the financial capacity of the secondary forest product sector throughout Wisconsin, I have drafted Assembly Bill 754 to provide incentives for lumber mills to expand their businesses through employee hiring and equipment upgrades.

In February 2009, the State enacted a dairy modernization tax credit in an effort to improve Wisconsin's aging dairy operations and position our dairy industry to lead the United States in dairy production for decades to come.

While agriculture is Wisconsin's largest economic driver, its forest product sector is a close second. The value added to our abundant and renewable timber resource creates a Wisconsin based job with every 25 cords of wood harvested. Among those jobs are good paying and family supporting jobs within Wisconsin's lumber and veneer industry.

The expected fiscal cost to the State of Wisconsin will be roughly \$1.5 million. However, I fully expect the State to benefit through increased employment opportunities and increased productivity.

In the depth of this recession, it is important that Wisconsin work to emphasize and take advantage of its economic strengths to pull us up and out of the recession. I believe this bill uses our forest resources and our manufacturing capacity are two essential components to help guide us into our next economic recovery.

Thank you again for your time today to discuss this bill.